

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF:

Allstate Dealer Services,

Respondent.

) CASE NO. INS-2013-226
)
)
) **CONSENT AGREEMENT AND**
) **FINAL ORDER**
)

This Consent Agreement and Final Order (Agreement) is between the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq., and Allstate Dealer Services (Respondent) (collectively, the parties).

RECITALS

WHEREAS, Respondent is an insurance company licensed to operate in the state of Montana;

WHEREAS, Respondent received notice from the CSI on September 4, 2008, that its GAPWise program was an insurance product;

WHEREAS, Respondent notified its producers that the GAP waiver product was being converted to an insurance product effective December 1, 2008;

WHEREAS, after converting to an insurance product, Respondent accepted nineteen (19) non-insurance waivers in GAPWise sales from JC Billion after December 1, 2008;

WHEREAS, Respondent did not file GAPWise form FP695 with the CSI at that time;

WHEREAS, the CSI alleges that Respondent violated § 33-17-236 and § 33-1-501; and

WHEREAS, the parties agree that the best interests of the public would be served by entering into this Agreement.

NOW, THEREFORE, in consideration of mutual undertakings contained in this Agreement, the parties agree to settle this matter with the following terms and conditions:

STIPULATIONS AND CONSENTS

1. Without admitting or denying the allegations in this matter, Respondent stipulates and consents that:

A. Respondent will not accept insurance policies sold by unappointed insurance producers.

B. Respondent will ensure that all forms used for insurance products are properly filed and approved by the CSI before using them in Montana.

C. Respondent will pay an administrative fine in the amount of seven thousand five hundred dollars (\$7,500) to the CSI within 30 days following the signing of this Agreement.

D. Respondent will comply with the terms and conditions of this Agreement, the Montana Insurance Code, and all other regulations of the State of Montana.

E. Respondent fully and forever releases and discharges the CSI and all CSI employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

F. Respondent specifically and affirmatively waives a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Montana Code

Ann. § 2-4-101 et seq., and elects to resolve this matter on the terms and conditions set forth in this Agreement.

G. Respondent acknowledges that it was advised of the right to be represented by legal counsel and if represented by legal counsel, that such legal representation was satisfactory.

H. Respondent acknowledges that this Agreement is signed by an authorized representative, who has read and understands each term of this Agreement.

I. Respondent acknowledges that it enters into this Agreement voluntarily and without reservation.

2. The parties to this Agreement stipulate and agree that:

A. This Agreement fully resolves the matter described in the Recitals, and the CSI has no intention to impose any additional penalty, fine, or any other disciplinary action for that conduct.

B. This Agreement is entered into without adjudication of any issue, law, or fact. It is entered into solely for the purpose of resolving the matter described in the Recitals, and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not alter, limit, or create any private rights or remedies against the parties.

C. This Agreement constitutes the entire agreement between the parties on this matter. No other promises or agreements, either express or implied, have been made between the CSI, or any member, officer, agent, or representative of the CSI, and Respondent related to this matter.


D. This Agreement may not be modified orally. Any subsequent modifications to this Agreement will be in a mutually-agreed writing with the same formality as this Agreement.

E. This Agreement will be effective upon signing of the Final Order.

F. This Agreement is a public record under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 12th day of March, 2014.

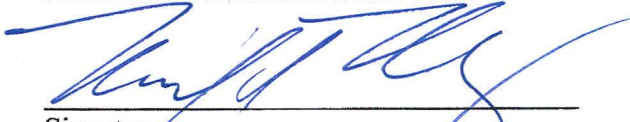
OFFICE OF THE COMMISSIONER OF
SECURITIES AND INSURANCE,
MONTANA STATE AUDITOR



MICHAEL A. KAKUK
Attorney for the CSI

DATED this 13TH day of MARCH, 2014.

ALLSTATE DEALER SERVICES



Signature

MICHAEL S. HURLEY

Printed Name

VP

Title

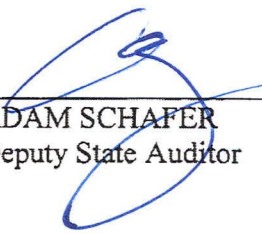
FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. §§ 2-4-603 and 33-1-101 et seq.,
and upon review of the forgoing Agreement and there appearing to be good cause,

IT IS ORDERED that the foregoing Consent Agreement between the Office of the
Commissioner of Securities and Insurance, Montana State Auditor, and Respondent Allstate
Dealer Services, is adopted as set forth fully herein.

Dated this 19th day of March, 2014.

MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

By: 
ADAM SCHAFER
Deputy State Auditor